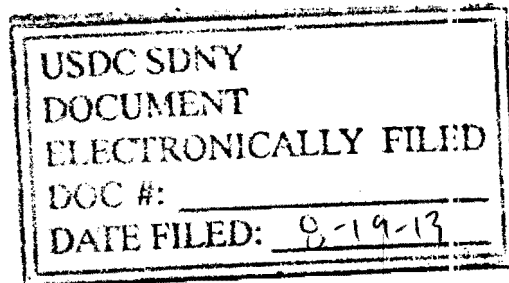


Grisso, J.

UNITED STATES U.S. DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re SHENGDATECH, INC. SECURITIES
LITIGATION,

This Document Relates to:
ALL ACTIONS



CIVIL ACTION NO. 1:11-CV-01918-TPG

**STIPULATION REGARDING
ANSWER OR OTHER RESPONSE TO
SECOND CONSOLIDATED
AMENDED CLASS ACTION
COMPLAINT**

Lead Plaintiffs Edward Schaul and Donald Yaw (collectively, the "Lead Plaintiffs") and Defendants A. Carl Mudd and Sheldon B. Saidman (collectively, the "Director Defendants," and together with the Lead Plaintiffs the "Parties") file this *Stipulation Regarding Answer or Other Response to Second Consolidated Amended Class Action Complaint* to memorialize an agreement reached among the Parties.

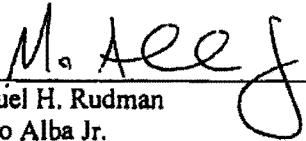
1. On December 27, 2012, the Director Defendants filed a motion to dismiss Lead Plaintiffs' Consolidated Amended Class Action Complaint (the "Motion to Dismiss");
2. On March 8, 2013, the Lead Plaintiffs filed a motion for leave to amend the Consolidated Amended Class Action Complaint (the "Motion for Leave");
3. The Lead Plaintiffs' Motion for Leave and the Director Defendants' Motion to Dismiss (collectively, the "Motions") are currently pending before the Court;
4. On August 6, 2013, while the Motions were pending before the Court, Lead Plaintiffs filed their *Second Consolidated Amended Class Action Complaint for Violations of the Federal Securities Laws* [ECF 65] (the "SAC") due to statute of limitations

concerns solely relating to defendant KPMG Hong Kong (as explained in that certain letter from Mario Alba Jr. to the Honorable Thomas P. Griesa, dated August 6, 2013).

Accordingly, the Parties hereby stipulate and agree that the Director Defendants shall have no obligation to answer or otherwise respond to the SAC while the Motions are pending before the Court.

DATED: August 13, 2013

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*Attorneys for Defendants A. Carl Mudd and
Sheldon B. Saidman*

Date

Aug. 19, 2012

IT IS SO ORDERED.

Thomas P. Griesa

Honorable Thomas P. Griesa
United States District Judge

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